

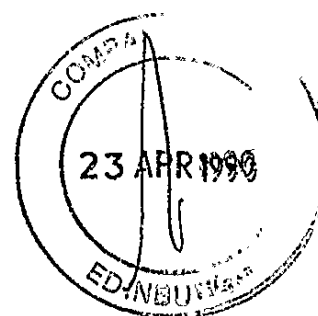
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GLYNHILL HOTEL LIMITED

FINANCIAL ACCOUNTS

FOR YEAR ENDED 4th APRIL 1989

GILLESPIE & ANDERSON
CHARTERED ACCOUNTANTS
GLASGOW



GLYNNILL HOTEL LIMITED

REPORT OF THE DIRECTORS

DIRECTORS: H. NICHOLAS
D.M.D. WHYTE

Principal Activities and Business Review

During the year there were no significant changes in the activities of the Company which has carried on business throughout the year as Hotel Proprietors. The Directors are of the view that the business has developed in the course of the year and that the position at the end of the year is satisfactory.

Profits and Dividends

The Profit for the year after Taxation amounted to £172,222. It is recommended that no Dividend be paid and that this amount be transferred to Reserves.

Research and Development

In view of the nature of the Company's trade, the Company is not active in the field of Research and Development.

Significant Changes in Fixed Assets

The following have been the changes in Fixed Assets in the year:

	<u>Purchased</u>	<u>Disposed</u>
Land and Buildings	£107,988	£ -
Plant and Fittings	142,768	-
Heating Installation	14,485	-
Electrical Installation	43,529	-
Furnishings	40,823	-
Leisure Complex Plant and Equipment	14,346	-
	<u>£363,939</u>	<u>£ -</u>
	=====	=====

Market Value of Land and Buildings

The Directors are of the opinion that the Market Value of the Company's Land and Buildings is similar to the Book Value shown in the Balance Sheet.

Directors

The names of the persons who were Directors of the Company during the year, and their Shareholdings, were as follows:

	<u>At 4th April 1989</u>	<u>At 4th April 1988</u>
H. Nicholas	70,000	70,000
D.M.D. Whyte	0	0

Employment of Disabled Persons

The Company does not discriminate against the employment of disabled persons or those who became disabled during the course of their employment.

Auditors

In accordance with Section 384 of the Companies Act 1985, a Resolution proposing the re-appointment of Gillespie & Anderson, C.A., as Auditors to the Company, will be put to the Annual General Meeting.

BY ORDER OF THE BOARD

SECRETARY

2nd April, 1990

Manually Signed BA

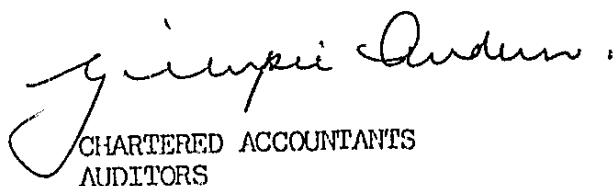
AUDITORS' REPORT TO THE MEMBERS OF

GLYNHILL HOTEL LIMITED

In our opinion the Company is entitled to the benefit of the exemptions for individual Financial Statements for the year ended 4th April, 1989 on the grounds that the Company is a medium size company.

We have audited the attached Financial Statements and Company Notes. Our audit was conducted in accordance with approved Auditing Standards.

The annexed Financial Statements, which have been prepared under the historical cost convention, give a true and fair view of the Company's affairs as at 4th April, 1989 and of its Profit and Source and Application of Funds for the year ended on that date and comply with the Companies Act 1985.


CHARTERED ACCOUNTANTS
AUDITORS

2nd April, 1990

GLYNHILL HOTEL LIMITED

BALANCE SHEET AS AT 4th APRIL 1989

	<u>1989</u>	<u>1988</u>
<u>FIXED ASSETS</u>		
Tangible Assets	£2,259,643	£2,028,124
	<u>1,295</u>	<u>1,295</u>
<u>QUOTED INVESTMENT</u>	<u>2,260,938</u>	<u>2,029,419</u>
<u>CURRENT ASSETS</u>		
Stocks	£ 36,256	£ 53,003
Debtors	146,609	107,563
Cash at Bank and on Hand	<u>2,981</u>	<u>2,878</u>
<u>TOTAL CURRENT ASSETS</u>	<u>185,846</u>	<u>164,344</u>
<u>CREDITORS</u>		
Amounts falling due within 1 year	<u>748,132</u>	<u>723,335</u>
<u>NET CURRENT ASSETS</u>	<u>(562,286)</u>	<u>(558,991)</u>
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>	<u>1,698,652</u>	<u>1,470,428</u>
<u>CREDITORS</u>		
Amounts falling due after more than 1 year	<u>0</u>	<u>1,799</u>
	<u>1,698,652</u>	<u>1,468,629</u>
<u>PROVISIONS FOR LIABILITIES AND CHARGES</u>	<u>229,938</u>	<u>189,770</u>
	<u>£1,468,714</u>	<u>£1,278,859</u>
	=====	=====
<u>CAPITAL AND RESERVES</u>		
Called up Share Capital	£ 165,000	£ 165,000
Profit and Loss Account	<u>1,303,714</u>	<u>1,113,859</u>
	<u>£1,468,714</u>	<u>£1,278,859</u>
	=====	=====

The Directors have relied on the exemptions for individual Financial Statements contained in Sections 247 to 249 of the Companies Act 1985 because, under that Act, the Company is entitled to benefit from those exemptions as a medium size company.

These Financial Statements were approved by the Board of Directors of the Company on 2nd April, 1990 and were signed on its behalf by:

.....*M. Nicholas*..... DIRECTOR

.....*[Signature]*..... DIRECTOR

GLYNNHILL HOTEL LIMITEDPROFIT AND LOSS ACCOUNTFOR YEAR ENDED 4th APRIL 1989

	<u>1989</u>	<u>1988</u>
Turnover	£2,457,560	£1,803,698
Cost of Sales	<u>666,936</u>	<u>480,788</u>
<u>GROSS PROFIT</u>	1,790,624	1,322,910
Distribution and Administration Costs	1,425,389	1,026,846
Including:		
Direct Wages Costs	£541,325	£388,103
Administration Wages Costs	159,223	134,553
Auditors' Remuneration	3,025	8,420
Legal Fees	2,314	491
Depreciation - Motor Vehicles	6,379	8,487
Buildings, Plant,		
Fittings and		
Furnishings	88,876	44,349
Leisure Complex	37,165	0
Directors' Remuneration	52,000	35,000
	<u>£896,307</u>	<u>£619,403</u>
	=====	=====
	365,235	296,064
<u>Other Operating Income</u>		
Machine Income	£ 1,880	£ 2,479
Investment Income	51	14
Interest on Resources Account	<u>0</u>	<u>10,526</u>
	1,934	13,019
<u>OPERATING PROFIT</u>	<u>367,169</u>	<u>309,083</u>
<u>Interest Payable</u>		
Hire Purchase Interest	1,617	1,617
Credit Card Charges and Commission	23,756	18,570
Loan Interest	0	0
Bank Interest	51,925	4,254
Interest on Taxation	2,063	408
Bad Debts	<u>0</u>	<u>546</u>
	79,361	25,395
<u>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</u>	<u>287,808</u>	<u>283,688</u>
Tax on Profit on Ordinary Activities	75,418	54,109
Deferred Taxation	<u>40,168</u>	<u>33,400</u>
	115,586	92,509
<u>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</u>	<u>172,222</u>	<u>191,179</u>
Grant - S.T.B.	17,633	82,367
Revenue Reserve Balance brought forward	<u>1,113,859</u>	<u>840,313</u>
<u>RETAINED PROFIT CARRIED FORWARD TO</u>		
<u> BALANCE SHEET</u>	<u>£1,303,714</u>	<u>£1,113,859</u>
	=====	=====

GLYTHILL HOTEL LIMITED

ACCOUNTING POLICIES

Accounting Convention

These Accounts which have been drawn up under the historical cost convention, are prepared in accordance with the requirements of the Companies Act 1985 and comply with the Statements of Standard Accounting Practice approved to date by the Councils of the principal accounting bodies of the United Kingdom. They do not necessarily comply with the Exposure Drafts still under discussion.

Stocks and Work in Progress

Stocks and Work in Progress are valued at the lower of cost and net realisable value.

Tangible Fixed Assets

Tangible Fixed Assets are stated at cost less depreciation. A Schedule of the movements is produced in the following Notes. The Tangible Fixed Assets are depreciated using suitable rates and methods calculated to write off the cost of the Assets concerned over their useful lives. The rates and methods currently in use are as follows:

Land and Buildings	2% Straight Line Basis
Plant and Fittings	10% Reducing Balance Method
Leisure Complex Plant and Equipment	10% " " "
Motor Vehicles	20% " " "
Furnishings	10% " " "
Electrical Installation	10% " " "
Heating Installation	10% " " "
Crockery, Glassware and Cutlery	Renewals Basis
Linen	Renewals Basis

Pension Fund

The amounts shown in the Accounts relative to Pension Funds represent payments made to the Fund in the course of the year less contributions from employees.

Deferred Taxation

Provision is made at current rates of taxation in respect of the full amount of taxation deferred by the application of first year allowances and other timing differences.

SHARE CAPITAL

	<u>1989</u>	<u>1988</u>
<u>Authorised</u>		
200,000 Ordinary Shares of £1 each	£200,000	£200,000
	=====	=====
<u>Allotted, Issued and Fully Paid</u>		
165,000 Ordinary Shares of £1 each	£165,000	£165,000
	=====	=====

GLYNHILL HOTEL LIMITEDSTATEMENT OF SOURCE AND APPLICATION OF FUNDSFOR YEAR ENDED 4th APRIL 1989

	<u>1989</u>	<u>1988</u>
<u>SOURCES</u>		
Profit before Taxation	£ 287,808	£ 283,688
Adjust Depreciation	<u>132,420</u>	<u>52,836</u>
<u>Total generated from operations</u>	420,228	336,524
Grants Received	17,633	82,367
Sale of Assets	<u>0</u>	<u>800</u>
	437,861	419,691
<u>APPLICATIONS</u>		
Purchase of Assets	£363,939	£948,453
Corporation Tax Paid	59,148	88,508
Investment Purchased	<u>0</u>	<u>945</u>
	423,087	1,037,906
	<u>£ 14,774</u>	<u>£ (618,215)</u>
	=====	=====
<u>INCREASE/(DECREASE) IN WORKING CAPITAL</u>		
Increase/(Decrease) in Stocks	£ (17,647)	£ 14,419
" (") in Debtors	39,046	25,687
" (") in Net Liquid Funds	87,367	(640,815)
" (") in Creditors	<u>93,992</u>	<u>(17,505)</u>
	£ 14,774	£ (618,215)
	=====	=====